

Utah Insurance Department
Content Standards
Individual Variable Annuity
(Single and Flexible Premium Deferred, Fixed Interest, including Fixed Interest Sub-Accounts)

These Standards are provided to assist the insurer in filing forms and rates. They are not intended to be all-inclusive and are a work in progress. References beginning with "31A" refer to the insurance code as part of Utah Code Annotated (U.C.A.) and those beginning with "R590" refer to department rules as part of the Utah Administrative Code (U.A.C.). All references should be reviewed for compliance. As required by U.C.A. § 31A-21-201(2), *the insurer is responsible* for assuring that forms and rates submitted are in compliance with the Utah Insurance Code and Rules.

FILING PROCEDURES		
Filing of Forms	31A-21-201 R590-227-5 R590-227-7	Forms are accepted on a "FILE AND USE" basis. It is the insurer's responsibility that the filing is in compliance with Utah law and rules.
Sample Data	31A-2-202(6) R590-227-5	All filing information and data must be accurate, complete and consistent within all filing documents. The data page must contain amounts consistent with the actuarial memorandum and demonstration of values. Failure to comply may subject the insurer to the enforcement penalties under 31A-2-308.
Variability - (bracketed data)	R590-227-6 R590-227-7	Any information that is variable must be bracketed and must be explained in a statement of variability. Any change in the items contained within the brackets or on the statement of variability must be refiled prior to use.
GENERAL REQUIREMENTS		
Application	31A-21-201(3) R590-93	An application must identify the insurer's name and address. Existing insurance statements must be on or attached to the application.
Assignment	31A-22-412	Subject to the exceptions allowed in the code, the assignment provision must allow the owner of any rights in the contract to assign any of those rights.
Benefits	31A-21-201(3)	The contract shall clearly describe the benefits and shall describe in detail how the benefits are calculated. Any factor used to define the crediting method and which is used in the determination of the account value, cash surrender value, annuity value and death benefit must be stated in the contract.
Cash Surrender Option	31A-22-411	The contract must clearly disclose the conditions for cash surrender.
Claims Settlement	31A-26-301(1) R590-191	All proceeds and claims settlement provisions must provide for prompt claim handling. Interest must be paid if the claim is not settled within 15 days of completion of the investigation.
Coverage Name, Description & Special Features	31A-22-426	The coverage name or title, a brief description of the coverage and any special features must be disclosed on the contract cover.
Data Page	R590-227-7	Sample data page(s) must be accurate and complete with sample data to reflect the market intended. Data must disclose the interest rate(s), any guaranteed interest terms, investment strategies, index options, maximum surrender charge schedules, loads, market value adjustments, and any other factors available in the submitted form. As appropriate, submit one data page for each product design.
Death Benefit	31A-22-411	The contract must clearly describe the death benefit and how the proceeds are determined.
Deferral of Payment of Values	31A-22-411 R590-98	The deferral provision is disclosed in the contract and is in compliance with applicable law and rules.
Entire Contract Provision	31A-22-424	Entire contract provision must define the documents and agreements that constitute the entire contract between the insurer and the policyholder. Except as permitted by 31A-21-106, all documents and agreements must be attached to the contract.
Examination Period (Free Look)	31A-22-423 R590-93	A minimum examination period of 10 days for new issues and 30 days for replacement policies must be prominently printed on the cover page. The contract must provide for a full refund of premium upon return of

		the contract.
Fixed Account	31A-22-409 R590-227-10	A fixed interest general account in a variable annuity is subject to 31A-22-409. See the individual annuity content standards and instructions for filing.
Incontestability	31A-22-403	Incontestability provision must state that if the contract is contestable, it is incontestable after it has been in force during the lifetime of the insured for a period of two years or less. The code does not allow an exception for fraud.
Incorporation by Reference	31A-21-106	Except as provided in 31A-21-106(1)(b), no policy may contain any agreement or incorporate any provision not fully set forth in the policy.
Insurer Name	31A-21-201(3)(a)(iii) 31A-21-301(1)(a)	The exact name of the insurer, the administrative office address, and state of domicile must be identified conspicuously on the contract.
Interest Rates, Expenses, Charges	31A-21-201(3) 31A-22-411	All guaranteed interest rates, surrender charges, and partial withdrawal charges, any initial guaranteed interest rates, and any other factors that may affect the values must be disclosed in detail.
Limitation of Actions	31A-21-313 31A-21-314	An insurance contract may not limit the time for beginning an action to earlier than 60 days after proof of loss has been furnished as required by the contract. An insurance contract not contain a provision limiting the right of action against an insurer to less than three years from the date the cause of action accrues. The provision cannot prescribe in what court an action may be brought.
Maturity Date	31A-21-201, 31A-21-301(1)(f)	The maturity or annuitization date must be disclosed. The contract must clearly disclose whether or not the policyholder can select or change the maturity date.
Minimum Premium	31A-21-302	The contract shall state any minimum premium requirements.
Misstatement of Age or Sex	31A-22-405	The contract must state that if the age and/or sex of the insured is misstated in an application and the error is not adjusted during the person's lifetime, the amount payable is what the premium paid would have purchased at the correct age and/or sex.
Modification or Amendment of Contract	31A-21-106(2)	No contract, rider or endorsement may contain unilateral provisions that allow the company in its sole discretion to limit the policyholder's rights.
Payment of Values	R590-98	A request for payment of values must be processed within the allowable time limits.
Provisions and Values	31A-22-411 31A-22-409 R590-133	Policies that provide for benefits in variable amounts must contain: (a) a statement of the essential features used in determining the value of the variable benefits; (b) appropriate nonforfeiture benefits in lieu of those required by 31A-22-409; (c) appropriate reinstatement provisions; (d) appropriate grace period provisions; (e) a statement that the dollar amount may decrease or increase and that benefits are on a variable basis.
Proof of Loss	31A-21-312 Bulletin 87-6	Proof of loss provision must allow the insured or claimant to file proof of loss as soon as reasonably possible.
Settlement Options	31A-22-406	If the contract provides that proceeds may be payable in installments that are determinable at the issue of the contract then it shall provide a table showing the amounts and intervals of the installments.
Statement of Variable Benefits and Values	31A-22-411	The contract must conspicuously state that the benefits are payable on a variable basis, with a statement specifying where the details of the variable provisions are found in the contract.
Termination Option	31A-22-409(3)	The contract may provide that if no consideration has been received for two years and the portion of the paid-up annuity benefit at maturity would be less than \$20 monthly, the company may terminate the contract by payment in cash of the present value of the paid-up benefit.
Unfair, Misleading, Deceptive Provisions.	31A-21-201(3)(a)	Forms may not be inequitable, unfairly discriminatory, misleading, deceptive, obscure, unfair, encourage misrepresentation, or not in the public interest. The contract may not contain inconsistent, ambiguous or misleading clauses, or contain exceptions and conditions that unreasonably affect the benefits purported to be provided in the general coverage of the contract.
MARKETING AND DISCLOSURE FORMS		
Annual Report	R590-133	The report must include the beginning and ending dates, the account value and surrender value, and total amounts credited, charged or paid during the report period.

ACTUARIAL DOCUMENTS

<p>Actuarial memorandum, demonstration, and certification of compliance</p>	<p>31A-17 Part 5 31A-22-411 R590-227-6 R590-227-10 R590-96</p>	<p>Actuarial memorandum, demonstration, and Certification of Compliance must be currently signed and dated by the actuary responsible.</p> <p>(a) The memorandum must describe all features of the contract both guaranteed and nonguaranteed, list all assumptions underlying nonforfeiture and reserve calculations.</p> <p>(b) The demonstration must be based on <u>guaranteed factors in the contract</u> and it must show that values provided are in compliance with the specific subsection of the nonforfeiture law that applies to the submitted form. Sample nonforfeiture calculations must be for representative ages and the oldest age in the issue age range.</p> <p>(c) The demonstration must include BOTH tests (retrospective and prospective) as required by the Standard Nonforfeiture Law.</p> <p>(d) See Bulletin 2002-6 and Bulletin 2006-5 for the interpretation of Utah's Standard Nonforfeiture Law for Annuities. Any contract that imposes a surrender charge past age 70 or beyond the tenth contract year for certain ages is in violation.</p>
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